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Working Paper on Support of China Mainland Resistance and the use of Nationalist Forces on Formosa

April 12, 1951.

The attached paper respecting support of China mainland resistance and the use of Nationalist forces on Formosa was prepared in CA by Mr. Strong as a working paper. A copy is transmitted to you herewith for whatever usefulness it may have.

cc. FE - Mr. Peake
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Working Paper on Support of China Mainland Resistance and Use of Nationalist Forces on Formosa

I. Assumptions

A. Communist China will be an active enemy of the United States for the foreseeable future.

B. The United States desires the overthrow of the Chinese Communist regime.

C. The United States will in the initial period not have the support of several important friendly countries in its efforts.

D. The United States wishes to continue to deny Formosa to the enemy.

E. The United States is relatively unconcerned whether the overthrow of the Communist regime creates a state of chaos on the mainland.

F. The United States does not wish to take the initiative in creating new, permanent leadership.

II. The Problem.

How best to utilize resistance forces, existing and potential, to divert and weaken the Chinese Communist regime.

III. Background.

A. The mainland guerrilla potential.

Although no accurate detailed information is available regarding guerrillas and bandits on the mainland, enough general information is at hand to conclude that unorganized resistance groups and bandits are present in considerable numbers in Kwangtung and Kwangsi in particular, probably in Kwelchow, and in lesser numbers in Fukien, Chekiang, Kunnan and Sinkiang. Rural discontent over land reform, taxation and conscription may be considered adequate to increase active resistance in these areas and to create resistance movements in other provinces, particularly south of the Yangtze, at such time as organized outside support becomes attractive. Existing groups lack funds, proper leadership, communications and coordination. They are probably composed largely of former KMT soldiers, bandits, and disgruntled peasants. They are acting in response to personal motives rather than nationalism or an ideal, they have little respect for the KMT, and they are interested in primarily local objectives.

The Chinese

The Chinese Communists have been taking vigorous measures against resistance groups and claim to have killed, wounded, disbanded, and accepted the surrender of several hundreds of thousands in the past year. Pacification appears to have been achieved in North and Northeast China, to a great extent in Central and East China, to a lesser extent in Northwest and Southwest China, and to a still more limited degree in South China. Regular troops are being used widely to stamp out resistance, and local militia units are being increased rapidly to collaborate with the regulars as well as to relieve regulars for military duty in Korea and elsewhere. It may be expected that Communist pressure on groups in active resistance will continue. Reports presumed reliable indicate that many potential and formerly active groups are "lying low" for the sake of self-preservation.

The Nationalists claim up to two million guerrillas following their leadership on the mainland. The Communists as late as last November admitted that 400,000 bandits were still operating. The numbers are not important at any given time but are cited as indication that the Communists still have a large problem to handle. The Nationalists assert that they have a widespread military type of organization among the guerrillas and that they have numerous agents with radio communications acting as liaison officers. However, it is doubtful that the Nationalists actually control guerrillas except small groups along the Fukien and Chekiang coastal regions and possibly isolated groups in South China. Rice which is dropped by Nationalist transport planes as "relief" to famine sufferers on the mainland may go to support several small resistance groups, but this is merely speculation. In view of the general distrust and dislike of the Kuomintang on the mainland, it may be considered that the Nationalists have small influence with active or potential resisters.

Time is of the utmost importance. United States support to and stimulation of resistance groups will become progressively more difficult as the Communists consolidate their control and as signs of foreign support for guerrillas fail to appear.

B. Nationalist Forces.

The Nationalist ground forces are thought to consist of some 430,000 men, including 25,000 in the Pescadores, 75,000 on Chinmen, several thousand on Matsu and other islands, and the remainder on Formosa. Of these, 28,000 are in the Armored Force, 25,000 in the Combined Service Force, and about 10,000 in the internal security forces.

The Nationalist Navy disposes of perhaps 40,000 men, of whom 12,000 are marines. Of the Nationalist naval vessels, only a small

proportion may be considered to be in condition for combat duty at any one time.

Although conflicting figures have been given for the Nationalist Air Force, it probably totals in the neighborhood of 70,000 men, including anti-aircraft units. How many combat aircraft are available is not accurately known, but the total does not exceed 300 and may be considerably fewer.

The strength of the armed forces on Formosa is deceptive, in that manpower is not the gauge to be used in determining power. Loyalty to the Nationalist Government, or KMT, may be considered to be limited. Discipline, under the relatively ideal conditions on Formosa, has improved considerably, but under combat conditions either in the defense of Formosa or in an attack on the mainland might well break down. Leadership is weak in all branches, and coordination within and between commands is in general nonexistent or totally inadequate. It may be said freely that there is no trust between services, and the usual practice of the Generalissimo of dividing and ruling still applies to his handling of the armed forces. The training program carried out by Sun Li-jen has largely gone to pot, the emphasis now being on political indoctrination by subordinates of Chiang Ching-kuo. The Combined Service Force still does not understand logistics, nor do the separate commands. Although the Nationalist armed forces have had considerable experience with Communist strategy and tactics, it is doubtful that they have yet adapted themselves to counter them successfully. Certainly the Nationalists do not have the know-how for a large-scale amphibious assault, nor have they progressed much toward facility in a battalion landing team operation. In general, the conclusion may be drawn that despite numbers, the Nationalists are incapable of defending Formosa by themselves and their offensive value is practically nil.

The United States has had little success in attempting to improve the Nationalist armed forces. Now, however, the Generalissimo states that he is ready to accept United States advice, along, of course, with large quantities of military equipment, supplies, and money. It is to be doubted seriously that the Generalissimo will desire to use a strong centralized command over a well-trained unified services establishment, one which he cannot manipulate as of yore. It may be doubted also that American indoctrination would be welcome to the general run of responsible Chinese officers, who, despite their ineptitude on the mainland still consider themselves as superior to foreigners in military knowledge. It is hard to believe that short of a thorough shakeup and weeding out of the present political and military leadership, plus extensive training, the armed forces on Formosa could be turned into an effect force able to apply its power suitably.

The views

The views of the United States as expressed in the White Paper meet general agreement almost everywhere except in certain segments of the American population. Other Asiatic Governments regard the Nationalists as still hopeless and unacceptable.

IV. Discussion of Possible Courses of Action.

A. To cooperate fully with the existing Nationalist Government.

In favor of this proposal are several considerations: the Nationalists control an apparatus that is in existence and maintains important armed forces; they have considerable knowledge of the Communists; their purpose is the same as ours, to overthrow the mainland regime; and they provide a convenient and relatively secure base.

In contrast, there are several cogent reasons for not fully cooperating with the existing National Government. The effect on the mainland population would be most adverse inasmuch as it would be assumed that the United States intended to place the KMT back in the saddle on the mainland again. Other friendly governments would doubtless be alienated to an important degree, particularly those in Asia. Overseas Chinese would probably react unfavorably, apart from a few opportunists. The Chinese Communists would have a beautiful, readymade propaganda line created for their use. The United States would become thoroughly committed to the Nationalist regime for support subsequent to a return to the mainland. Efforts to carry through proper training and utilization of armed forces and utilization of resources would probably disappoint the United States again. Many other negative arguments are omitted.

B. Limited cooperation with the existing Nationalist Government while undermining other resistance groups separately.

In favor of this course are several arguments as follows: use would be made of the Nationalist potential while at the same time other anti-Communists unwilling to associate themselves with the Nationalists would play a role. The United States would continue to demonstrate that it still does not regard the Nationalist regime with favor, and it might result in a political coup on Formosa which would eliminate some, if not all, of the objectionable figures. People on the mainland as well as overseas Chinese would see hope in a "third force" no matter how indefinite in the beginning, and would have an alternative to both the Nationalists and the Communists. Limited support to the Nationalists would probably ensure that no upheaval occurred on Formosa to turn the island over to the Communists. A convenient base for selected operations against the mainland would be available. And other friendly governments would probably be less alienated than by allout support for the Nationalists.

Opposed to these considerations are the incontrovertible facts that the Generalissimo and the KMT are discredited in Asia, that there would be suspicion that we would still favor them off on the mainland, that we were unwilling to promote the best interests of the people. It is also doubtful that satisfactory cooperation would be obtained from the Nationalists under the divided regime. The Nationalists might well back up their primary goal the liquidation of the "third force" which we abhor. In short, the National Government is a liability rather than an asset, and, hence the advisability of resisting in the achievement of our goals, might even be dangerous.

C. Alteration of National Government leadership and centralization of work in the new regime.

There are probably several feasible methods for achieving a major alteration in Nationalist leadership:

1. Direct representation, by US or by other Asiatic leaders, or both.

2. Public pronouncement, by US or by other Asiatic leaders, or both.

3. Indirect suggestion by calculated actions.

4. Some direct following preliminary measures to secure suitable conditions.

(No effort is made herein to go into the pros and cons of these methods.) With the removal of the Generalissimo and the more undesirable of his cronies, it may be believed that the Chinese on Formosa will accommodate themselves to the US circumstances as indicated by the United States and will establish a regime more generally suitable to our purposes. Leading leaders of this new regime might render assistance in preventing Communist a return to the mainland.

Advantages of this course of action may be considered to be the elimination of a severe handicap and the establishment of a stronger and more suitable base from which to carry on operations; creation of more receptive conditions for United States aid and participation; making a revolutionary move which could not be appealed to mainland and overseas Chinese; controlling operations.

Opposed are the considerations that: the new regime would be regarded as a foreign creature; other Asiatic regimes might fear similar machinations against them by the United States; the security of the island might be in danger during an unavoidable period of disruption; the United States would be fully committed to an unknown government;

remnants of the old KMT might sabotage efforts from and on Formosa; the United States would have the problem of how to dispose of the deposed; "third force" and mainland resistance groups might hesitate to follow a new regime, unsized in every way.

To advocate this course is to advocate the abandonment of a long-lived United States policy of avoiding intervention in the internal affairs of states. Rather, with the right propaganda line, the job could be done with the minimum of repercussions. Participation of other friendly Asiatic Governments would be most beneficial.

Moreover, it is doubtful that it would be advantageous to place all our eggs in the basket of the new Government.

D. Bypass the National Government.

To adopt this course would doubtless gain us more face with friendly Governments which oppose our policy toward Formosa, but it is patently impossible inasmuch as it is necessary under present conditions to try to assure the defense of Formosa, and it would be almost impossible to cut Formosa off from all aid, even though such a course would probably mean early success in the deposing of the Generalissimo and his close supporters.

E. Alteration of the Nationalist Government and concurrent use of other groups.

This course combines most of the advantages of other courses and eliminates many of their disadvantages. It continues in being a "legitimate" government of considerable value to the United States, makes full use of all anti-Communist factions, avoids a commitment solely to one group, would appeal to a wider range of mainland people, permits utilization to the full of the potential power on Formosa, meets much of the aspiration of other friendly governments, encourages overseas Chinese, removes the Generalissimo as a source of Communist propaganda, reduces competition between the Nationalists and the "third force", satisfies the requirement of making the fullest use of all Chinese power and knowledge of the Communists, although the new government on Formosa might be regarded as a creature of the United States, "third force" elements working without close United States supervision and participation in their efforts would be free from this taint to a considerable extent.

The primary disadvantage would be that of wondering what to do with the Generalissimo, his relatives, and his coterie.

This course is susceptible of commencement almost at once, in that while means of deposing the old regime on Formosa are being determined, an indication of support to other groups can begin; support to other groups will facilitate elimination of the old leadership.

V. Implementation

V. Implementation of Course "B".

A. Stimulation of guerrillas.

It will be necessary to establish a base of operations for the "third force" groups, or several bases. Inasmuch as south and southeast China are the more feasible areas for such operations, Hong Kong and Macao are the most desirable bases, but these spots will doubtless be denied to us, at least in the initial stages. Okinawa may be suitable, or the Philippines, or an effort might even be made to take over the Pratas Islands from the Nationalists. Perhaps other Ryukyu Islands south of Okinawa would be suitable. Use of water transportation and the nature of the mainland coastline allow ample flexibility.

Support for and leadership of guerrilla efforts on the mainland might stem from a "Free China Institute", located preferably in the Philippines. There anti-Communist leaders would learn methods of guerrilla warfare, would maintain their contacts with a carefully selected overall American group (which would select Chinese leaders initially), would receive their supplies and money, and would be indoctrinated politically and in public administration, etc. Leaders from the mainland groups and selected subordinates could be brought there for training and indoctrination, and it would serve as an overall coordinating point, whence would flow instructions and supplies to operations bases for implementation and onward delivery.

Maximum latitude must be given those selected to lead operations and minimum administration is required. Means are available for determining in general the results of the effort as a whole.

It may be objected that the proposed "Institute" would give too much of an American flavor to the project, but it need not be run as an American affair. Another objection is that the Philippines still have diplomatic relations with Formosa and would not agree to the project without Nationalist sanction.

B. Employment of the forces on Formosa.

The first requirement is the defense of Formosa and the outlying islands now in Nationalist hands. As a rough estimate of forces required for this purpose it may be considered that 200,000 are needed for military defense of Formosa, plus 20,000 for internal security, including sentry duty, 25,000 for the Pescadores, 75,000 for Chinmen, and 10,000 for the other smaller islands. Deducting these, as well as 25,000 service troops, leaves not more than 67,000 ground forces and marines. Deduct from this figure the 28,000 Armored Force and the final total is 39,000, of which several thousand are headquarters troops and another several thousand of which will be sick or injured at any given time. There are no satisfactory and secured sources of

trained

trained replacements on a short term basis.

1. Large-scale assault on the mainland.

In the face of considerably greater Communist strength on the mainland it is difficult to see how a major assault with the mission of seizing, holding and expanding a bridgehead on the mainland can be productive of anything but another debacle. Apart from the question of manpower it is also necessary to consider the consequences of failure, the effect of a full-scale attack on the Communists, the training and planning required and the Chinese capabilities in this direction, the reliability of the troops, the cost to the United States, and the degree to which United States participation would be required.

The consequences of failure would be disastrous politically and psychologically and would lead inevitably to further military defeat. The mainland population would be obliged to consider its hope for "re-liberation" to have ended. The remaining forces on non-communist Chinese soil would assume that the Communists were still invincible, that further resistance was useless, and would not oppose willingly a Communist invasion of Formosa. The United States would suffer a severe loss of prestige which could ill be afforded.

The effect of a full-scale attack on the Communist mainland would need careful calculation. The longer the attack is delayed, the more secure will be Communist internal control. The attack might create a diversion for a month or two requiring the Communists temporarily to reduce efforts in other directions, but it is doubtful that any serious consequences could be caused (it is assumed that our projected program for stimulation of guerrilla activities will not achieve noteworthy results in a short time). Communist coastal defense forces will probably be adequate to contain an invasion until reinforcements arrive to destroy the invading forces. Success against the invasion will give the Communists new prestige and new opportunities for propaganda.

The present state of Nationalist training and organization does not permit such an operation to take place. Required are a concerted heroism of amphibious troops, command relationships, and logistics, plus a large training program over a lengthy period of time. The Nationalists have staged a few small-scale amphibious exercises, but without notable success.

It may be questioned whether it is desirable to place large numbers of Nationalist troops on the mainland in opposition to superior Chinese Communist forces. It is not impossible that apart from Communist military capabilities they will be able to persuade the Nationalists to desert and go home or to surrender on the promise that they will be repatriated. This would have a serious effect on the forces remaining on Formosa and the other islands. It is questionable too whether the glowing reports that Nationalist troops are itching for a fight are true.

Despite

Despite the added cost it is desirable to use Chinese than Americans in such an attack, the cost in terms of equipment and supplies would be considerable. The cost would be minimized to some degree by utilizing American vessels and landing craft, but this would involve heavy American participation in the operation. Logistics would depend almost entirely on the United States. Other American participation would be in the field of planning, training, air and naval support, and even in combat. It is difficult to see how the necessary close and detailed coordination can be worked out in a short period between American and Chinese naval and air forces. The effort which would be required and the commitment of considerable American air and naval forces, plus a large ground force training mission, simply is not worth the very little, if any, success which could be hoped for at best, and would be a complete waste in the event of an expected failure. Furthermore, a satisfactory attack could not be mounted in much under a year from the present time.

Alternatives exist for the use of surplus Chinese ground forces. Assuming that the United States achieves the alternation of the leadership on Formosa and forms the successor regime agreeable to pooling its overall manpower for common defense requirements in the Pacific, a portion of the troops on Formosa can be removed to an area of specific United States control for training and can then be employed in any one of several thinly defended territories.

2. Small-scale attacks with limited missions.

More suitable to present Nationalist capabilities, to time consideration and to the effort which the United States can make in conjunction with them, is a program of numerous small landings with limited missions. The manpower exists and can be spared. The training, equipment and logistics requirements are much more limited. United States participation can be kept to the United States to far less. Failure of any given group to achieve its objects would have very limited repercussions, susceptibility to Communist blandishments would be a minor consideration, operations could be tied in with the guerrilla program, a relatively small effort would tie down much larger Communist forces, a concerted Communist attack against another objective could be put off balance or stymied, communications could be sabotaged and considerable disruption of the economy of portions of the mainland could be achieved. The Communists would not be certain whether small landings were to be the prelude to a larger effort, hopes of the mainland population for ultimate "re-liberation" would be kept alive, invaluable experience would be gained by units participating, and, despite its morale would be raised by a series of minor but effective successes on small scale.

VI. Recommendations.

A. A central operations group should be set up immediately to inaugurate at an early date a program to utilize existing resistance forces on the mainland and to augment them.

B. The alteration of the leadership on Formosa should be undertaken on an urgent basis simultaneously with "A".

C. Following the changes in the leadership on Formosa a small training and operations group should be established on Formosa to review the command structure, to train amphibious landing teams, to train other ground forces, to provide logistics training, to recommend supply of material, and to provide any necessary liaison between Chinese and United States forces.

1/24/51, 1/31/51